GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2492
ANSWERED ON:31.07.2017
Free Trade Agreements
Rajesh Shri M. B.;Shetti Shri Raju alias Devappa Anna;Thomas Prof. Kuruppassery Varkey

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of Free Trade Agreements (FTAs) signed/proposed to be signed by India with other countries including those signed or proposed to be signed with Asian countries/Eurasian Economic Union along with their present status;
(b) whether the Government has assessed the impact of these FTAs on steel, agriculture and domestic industries and if so, the details thereof along with their benefits/ net inflow of foreign investment and the steps taken/ being taken to protect the agricultural sector from the negative effect of FTAs;
(c) the details of the export and import made by India with those countries it has entered into FTAs/Extensive Economic Participation Agreement during the last three years, region/ quantity/Price-wise; and
(d) whether the Government is in talks with many foreign countries including Israel, West Asia and African countries to sign new FTA agreements and if so, the norms being followed and the action plan formulated and priority areas identified in this regard along with the progress made with regard to implementation of these agreements, country-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) : The details of the Free Trade Agreements (FTAs)/Comprehensive Economic Cooperation Agreements(CECAs)/Comprehensive Economic Partnership Agreements(CEPA) and Preferential Trade Agreements(PTAs) entered into by India is given in Annexure-I and Annexure-II respectively. The list of the FTAs/PTAs currently being negotiated is given in Annexure-III. As regards an FTA with Eurasian Economic Union, a joint statement to launch negotiations for FTA between India and the Union has been signed on 3 June, 2017.

(b) : Assessment evaluation of FTAs is a continuous process including on sectors such as steel and agriculture. Before entering into negotiations with its trading partners, studies are undertaken internally, as well as through the Joint Study Group (JSG) to study the feasibility of the proposed FTAs, including their impact on the domestic stakeholders including the Apex Chambers of Commerce and Industry, Industry Associations as well as the Administrative Ministries and Departments. In order to protect the interest of the domestic industry and agriculture sector, these agreements provide for maintaining sensitive/negative lists of items on which limited or no tariff concessions are granted under the FTA. The Government has largely adopted a conservative policy on agricultural products by maintaining a large number of them in the negative list of FTAs. In addition, in case of a surge in imports and injury to the domestic industry, a country is allowed to take recourse to the measures such as anti-dumping and safeguards.

(c) : The Question does not arise as India has not entered into any new FTA or Preferential Trade Agreement (PTA) during the last three years. However, India expanded the scope of the India-ASEAN Trade in Goods (TIG) Agreement in November, 2014 to cover both Services and Investment with its date of implementation being 1 July, 2015.

(d) : The Department of Commerce is negotiating 21 trade agreements including with Israel and Mauritius. The details of these agreements under negotiation or review are at Annexure-III. The FTA negotiations are a continuous process and it is difficult to predict a time-line for conclusion.

Annexure-I
FTA's already in force
S. No. Name of the Agreement Date of Signing of the Agreement Date of Implementation of the Agreement
1 India - Sri Lanka FTA 28th December. 1998 1st March, 2000
2 Agreement on SAFTA
(India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, the Maldives and Afghanistan) 4th January, 2004 1st January, 2006
(Tariff concessions implemented from 1st July, 2006)

3 India Nepal Treaty of Trade 27th October 2009 The Treaty has been extended for a further period of 7 years and is currently in force till 26th October 2023.
4 Revised Agreement of Cooperation between Government of India and Nepal to control unauthorized trade 27th October, 2009 The Agreement has been renewed on 26th October, 2016 for a further period of 7 years and is now valid till 26th October, 2023.
5 India - Bhutan Agreement on Trade Commerce and Transit 17th January, 1972 Renewed periodically, with mutually agreed modifications. Agreement dated 29th July 2006 was valid for 10 years. With mutual consent, the validity was extended for a period of one year or the period till the proposed new Agreement comes into force. The new Agreement has been signed on 12.11.2016. India and Bhutan have agreed that the new Agreement will come into force with effect from 29 July 2017.
6 India - Thailand FTA - Early Harvest Scheme (EHS) 9th October, 2003. 1st September, 2004
7 India - Singapore CECA 29th June, 2005 1st August, 2005

8 India - ASEAN- CECA - Trade in Goods, Services and Investment Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) 13th August, 2009 for goods and November, 2014 for Services and Investment Goods
â€¢ 1st January 2010 in respect of India and Malaysia, Singapore, Thailand.
â€¢ 1st June 2010 in respect of India and Vietnam.
â€¢ 1st September 2010 in respect of India and Myanmar.
â€¢ 1st October 2010 in respect of India and Indonesia.
â€¢ 1st November 2010 in respect of India and Brunei.
â€¢ 24 January 2011 in respect of India and Laos.
â€¢ 1st June 2011 in respect of India and the Philippines.
â€¢ 1st August, 2011 in respect of India and Cambodia.
Services and Investment
1 July, 2015
9 India - South Korea CEPA 7th August 2009 1st January, 2010
10 India - Japan CEPA 16th February, 2011 1st August, 2011
11 India - Malaysia CECA 18th February, 2011 1st July, 2011

Annexure-II
PTAs already in force:
S. No. Name of the Agreement Date of Signing of the Agreement Date of Implementation of the Agreement
1 Asia Pacific Trade Agreement (APTA)
(Bangladesh, China, India, Republic of Korea, Sri Lanka) July, 1975
(revised on 2nd November, 2005) 1st Nov, 1976

2 Global System of Trade Preferences
(GSTP)
(Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People''s Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran, Iraq, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, Venezuela, Viet Nam, Yugoslavia, Zimbabwe) 13th April, 1988 19th April, 1989

3 SAARC Preferential Trading Agreement (SAPTA) 11 April, 1993 7 December, 1995
4 India - Afghanistan 6th March, 2003 13th May, 2003
5 India - MERCOSUR 25th January, 2004 1st June, 2009

6 India - Chile 8th March, 2006 11th September, 2007. The agreement has been expanded on 6th September, 2016 with date of its implementation as 16th May, 2017.

Annexure-III

FTAs/PTAs under Negotiation/Review:
S. No. Name of the Agreement Status
1 India - EU BTIA
(Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia ,Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom) Negotiations launched on 28th June 2007 in the areas of Goods, Services, Investment, Sanitary and Phyto-sanitary Measures, Technical Barriers to Trade, Trade Facilitation and Customs Cooperation, Competition, IPR & GIs. Etc. Sixteen rounds of negotiations and a number of inter-sessional and Chief Negotiator level meetings have been held till date. A Ministerial review meeting between Hon'ble Commerce & Industry Minister and EU's Trade Commissioner was held on 15th April, 2013 at Brussels. After a period of lull, the negotiations were revived with 4 stocktaking meetings in January, February, July and November, 2016.
2 India − Sri Lanka Economic and Technical Cooperation Agreements (ETCA) The negotiations on the text of the proposed Agreement are being carried out with Sri Lanka. Three rounds of negotiations have been held so far. The 4th round of negotiations of the ETCA was held on 24-26 April, 2017 in New Delhi.
3 India - Thailand CECA Early Harvest Scheme on 82 items implemented. So far 30 rounds of India-Thailand Trade Negotiation committee (ITTNC) meetings have been held. The 30th round was held on 13-14 July, 2016 in New Delhi.
4 India - Mauritius CECPA Ten rounds of negotiations on India-Mauritius CECPA have been held between the two sides so far. The last round of negotiation was held between India and Mauritius on 23−24 October, 2006. Although the CECPA negotiations had been formally put on hold, they were revived in March, 2016 during the visit of the Hon'ble Prime Minister to Mauritius. There is likelihood of some technical engagement between the two sides in 2017.
5 India EFTA TEPA (Iceland, Norway, Liechtenstein and Switzerland) The India-EFTA TEPA (Trade and Economic Partnership Agreement) was launched in January 2008 (then known as BTIA). The first round was held in New Delhi during 6-8 October, 2008. The Chapters covered are Trade in Goods, Services, Investment,, Sanitary and Phyto-sanitary Measures (SPS), Technical Barriers to Trade(TBT), Trade Facilitation and Customs Cooperation, Competition, Intellectual Property Rights (IPR), Government Procurement (GP), Dispute Settlement(DS), Trade Defence(TD), Rules of origin(ROO), Sustainable Development (SD) and Legal & Horizontal etc. 16 rounds of negotiations have been held with the 16th round of negotiation held on 29 May-2 June, 2017 in Lichtenstein.
6 India - New Zealand FTA/CECA Ten Rounds of negotiation of CECA have been held so far. The 10th Round was held in New Delhi on 17-18 February, 2015.
7 India − Israel FTA Eight rounds of negotiations on India-Israel FTA have been held so far. The Eighth round was held in Israel from 24-26 November, 2013.

8 India - Singapore CECA Second review of India-Singapore CECA was launched in May, 2010. Recently a stock taking meeting on 2nd review of India-Singapore CECA was held on 8th November, 2016 in New Delhi

9 India - SACU PTA (South Africa, Botswana, Lesotho, Swaziland and Namibia) Five rounds of negotiations have been held so far. 1st Round of negotiation was held in Pretoria on October 5-6th, 2007 and the 5th round of negotiations held in October 2010 in New Delhi. During the 9th Joint Ministerial Commission (JMC) meeting held at Durban on 19th March, 2015 under the co-chairmanship of Honourable Minister of External Affair and South Africa's Foreign Minister, while discussing pending negotiations on finalization of INDIA-SACU PTA, the Indian side requested the South African side for assistance in holding the 6th round of negotiations.

10 India - Mercosur PTA expansion

(Argentina, Brazil, Paraguay and Uruguay) The existing India-MERCOSUR PTA is being expanded as substantial scope exists for India and MERCOSUR to explore complementarities and benefit from increased bilateral trade. The 3rd Meeting of Joint Administrative Committee was held in Brasilia on 29th September, 2016.

11 BIMSTEC CECA

(Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal) 20 meetings of the Trade Negotiation Committee (TNC) have taken place. The 20th Meeting of BIMSTEC Trade Negotiating Committee (TNC) was held during 07-09, September 2015 in Khon Kaen, Thailand.

12 India - Gulf Cooperation Council (GCC) Framework Agreement

(Saudi Arabia, Oman, Kuwait, Bahrain, Qatar and United Arab Emirates) Two rounds of negotiations have been held so far in 2006 and 2008. The second round was held in September 9-10, 2008. No round could take place in the last 7 years since GCC has deferred its negotiations with all countries and economic groups and is currently reviewing its negotiations with all countries and economic groups.

13 India − Canada FTA Nine rounds of negotiation on India-Canada CEPA have been held so far. The Ninth round was held in March, 2015.

14 India - Indonesia Comprehensive Economic Cooperation Agreement (CECA) Commencement of negotiation on Indonesia - India CECA was announced on 25th January 2011 during the visit of Indonesian President to New Delhi. Negotiations are yet to commence. The first meeting pre-negotiation and Biennial Trade and Investment Forum (BTIF) took place in Jakarta on October 3-4, 2011. Negotiation has been kept in abeyance watching progress of RCEP.

15 India - Australia Nine rounds of negotiations have been held so far. The ninth round of negotiations was held on 21-23 September 2015, in New Delhi, India.

16. India-Malaysia CECA

(1st Review) 1st meeting of the India-Malaysia Joint Committee meeting to review implementation of the Agreement was held on 8th December, 2014.

17 Regional Comprehensive Economic Partnership (RCEP) Agreement among ASEAN + 6 FTA Partners (Australia, China, India, Japan, South Korea and New Zealand) Based on the Declaration of the Leaders during the ASEAN Summit in November, 2012, negotiations for a comprehensive economic partnership between the 10 ASEAN member states and its 6 FTA partners commenced in May, 2013. 4th RCEP Ministerial was held on 5 August, 2016. 3rd Intersessional RCEP Ministerial was recently concluded in Ha Noi from 21-22 May, 2017. The 19th Round of RCEP TNC and related meetings was held from 17-28 July, 2017 in Hyderabad. The negotiations cover a number of areas like trade in goods, services, investment, intellectual property, economic & technical cooperation, competition and legal & institutional issues.

18 India-ASEAN Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)

(1st Review) The ASEAN Secretariat has agreed to the 1st review of India-ASEAN trade in Goods Agreement in the coming months. The scope of review was finalized and the first meeting of the Trade Negotiating Committee (TNC) for review was held on 6 April, 2016 in Kuala Lumpur.

19 India-Korea CEPA review During the Joint Committee meeting at the Ministerial level held on 18 June, 2016 in New Delhi, the two sides declared commencement of negotiation for upgrading India-Korea CEPA. Two rounds of negotiation for upgrading India-Korea CEPA have been held so far with 2nd round of negotiation held on 13-14 February, 2017 in New Delhi.

20 India-Iran PTA India and Iran have started discussions to enter into a preferential Trade Agreement (PTA). The broad principles of the PTA are being worked out before commencing negotiations on the text. So far, two meetings have taken place. The last meeting was held at New Delhi on 01-02 September, 2016. After the discussions and receipt of a communication from Iran, India has sent a response to Iran in January, 2017. Iran is yet to revert on our response. The dates of next meeting of India-Iran PTA are not yet finalised.

21 India-Peru Trade Agreement The Cabinet in its meeting held on 18th January, 2017 has approved holding negotiations for trade agreement with Peru on goods, services and investment. The process for negotiations has been initiated with the first round of negotiations scheduled on 8-11 August, 2017 in New Delhi.

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